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April 7, 2003

Mr. Peter Robb  
President  
Honolulu Zoological Society  
151 Kapahulu Avenue  
Honolulu, Hawaii 96815

Dear Mr. Robb:

Re: Inquiry Regarding the Honolulu Zoological Society

In response to media reports concerns the Honolulu Zoological Society's ("Society") support of the Honolulu Zoo, as well as the treatment of "Rusti" the orangutan, this office began an inquiry regarding the Society's operations. That inquiry included a review of documents furnished by the Society, its Return of Exempt Organization (Form 990) and several meetings with the current and past president of the Society's Board. The Society has fully cooperated with this inquiry, for which we are thankful.

The Attorney General's inquiry has revealed that the Society has not engaged in any improper financial activities and appears to be acting in the best interests of the Honolulu Zoo. None of the directors serve for compensation and the Society's executive director's compensation is rather modest. Although the Society's prior accountant made errors in completing the Society's 990 the Society has recently prepared an amended return correcting those errors and to more accurately describe the financial activities and programs of the Society.

With respect to the care and treatment of Rusti the Orangutan, our inquiry has determined that Rusti's care and treatment is primarily the responsibility of the Orangutan Foundation International ("OFI"), not the Society. This office is communicating with OFI regarding fundraising and expenditures relating to Rusti's care and housing.

Meetings with Society present and past Society officers and others have revealed that the Society provides substantial support for the Zoo in the following ways, among others:

1. The Society devotes nine percent of the Society's unrestricted gross revenues for Zoo support for such things as behavioral research, travel and training conferences for animal caretakers, animal enrichment programs, and unbudgeted equipment and other "emergency" needs of the Zoo. During the 2001 fiscal year this amounted to \$41,272.

2. The Society's Form 990 reports over \$300,000 in program services related expenditures in 2000.

3. The Society has provided over 22,000 volunteer hours to the Zoo in 2001.

4. The Society has embarked on a capital campaign program for the Zoo. The Society has informed this office that already has \$2 million in pledges and it realistically expects to raise \$6 million for capital improvements, with the City providing \$4 for every \$1 raised by the Society.

5. The Society provides a variety of education programs at the Zoo that are critical to the Zoo's accreditation. Some of these programs are described in the attached brochure.

6. The Society provides many family programs including the "Snooze in the Zoo," "Walks of the Wild Side" and "Keiki Zookeeper" programs.

7. The Society has embarked upon an ambitious initiative involving the day-to-day operation of the Zoo in a public/private partnership with the City and County of Honolulu.

The needs of the Honolulu Zoo are appear to be endless and there may be things the Society could improve upon. Nonetheless, we are convinced that the Society is performing its corporate purposes:

a. To support the aims, policies, and programs of the . . . Honolulu Zoo . . . ;

b. To foster, encourage and carry on instruction, demonstrations, exhibitions, lectures, field trips and other activities in these same subjects;

c. To encourage and conduct research in these same subjects;

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d. To provide volunteer services to the Zoo in carrying out its aims, programs and policies;

e. To aid in securing auxiliary funds in any lawful way to support the activities of the zoo.

Charter of Incorporation Art. III (1969).

Thank you again for your cooperation in this process and the cooperation of Steven Sakamaki, the Society's new CPA.

HRJ:hrj

Attachment

Very truly yours,



HUGH R. JONES  
Deputy Attorney General